

Table I

THE BUDGET OUTLOOK
Without New Legislative Program For 1956
(in billions)

	1953 actual	1954 actual	1955 estimate	1956 estimate	1957 indicated level	
1. <u>Budget expenditures</u> , present laws <u>a/</u> :						
a. Defense Department (military)	\$43.6	\$40.1	\$35.0	b/\$34.5	\$34.5	
b. Other major security and foreign economic aid	8.4	7.3	7.3	b/ 7.6	7.6	
c. Total security and foreign economic aid	52.0	47.4	42.3	42.1	42.1	
d. Relatively uncontrollable	14.9	14.3	15.6	15.6	15.6	
e. All other programs	7.4	5.9	6.3	6.5	6.5	
f. <u>Total</u> budget expenditures	74.3	67.6	64.2	64.2	64.2	
2. <u>Budget receipts</u> , extending present tax rates <u>c/</u>	64.8	64.6	59.0	60.5	62.0	
3. <u>Indicated deficit</u> (-)	-9.4	-3.0	-5.2	-3.7	-2.2	
4. Possible reasonable <u>reductions</u> of agency requests:						
a. Other major security (approximately 5%).....				-.4	-.4	
b. Relatively uncontrollable (C.S. retirement on pay-as-go)				-.8	-.8	
c. All other programs (approximately 5%)				-.3	-.3	
d. <u>Total</u>				-1.5	-1.5	
5. <u>Surplus</u> (+) or <u>deficit</u> (-), assuming accomplishment of these reductions and no new programs or legislation added	-9.4	-3.0	-5.2	-2.2	-.7	

a/ 1956 based generally on agency requests.

b/ Partially an estimate by Bureau of the Budget of agency requests.

c/ Assumes extension through 1957 of present excise and corporation tax rates
which are scheduled for reduction on April 1, 1955 under present law.

Table II

THE BUDGET OUTLOOK
Effect of Possible "Add-ons" for 1956
(in billions)

	1953 actual	1954 actual	1955 estimate	1956 estimate	1957 indicated level
1. <u>Surplus (+) or deficit (-)</u> from line 5 of table I	-\$9.4	-\$3.0	-\$5.2	-\$2.2	-\$0.7
2. <u>Possible "Add-ons"</u> under discussion (summary list on table IIA):					
a. Proposals for NSC review.....	-	-	-	2.7	a/4.9
b. New legislative program	-	-	-	1.9	1.7
c. Public works and reclamation	-	-	-	*	.2
d. <u>Total</u>				4.6	6.8
3. <u>Additional expenditures</u> per request of services to OSD	-	-	-	2.9	5.8
4. <u>Budget deficit (-)</u> if all above "add-ons" adopted and no <u>other changes made</u>	-9.4	-3.0	-5.2	-9.7	-13.3

a/ Full annual cost would be approximately \$14.5 billion.
* Less than \$50 million.

Table II-A
Possible "Add-ons" for 1956
(in billions)

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Programs for early NSC review:

	1956 cost	1957 cost	Full annual cost
Continental defense	\$.5	\$1.0	\$5.0
Defense mobilization .....	.5	1.0	5.0
Military manpower reserve	1.7	2.9	4.5
Total, early NSC review	2.7	4.9	14.5

New legislative program:

Military personnel	1.1	1.1
Federal civilian personnel .....	.4	.4
New highway program .....	.3	.3
Health reinsurance .....	.1	-
Medical care-public assistance recipients .....	.1	.1
Merchant vessel repair and modernization .....	.1	?
Return of German assets .....	.1	?
Miscellaneous .....	.1	.1
Postal rate increase	-.3	-.3
Total, new legislative program	1.9+	1.7+

	1956 cost	1957 cost
Pay increase	\$.7	\$.7
Survivors' benefits ...	.2	.2
Dependents' medical care .....	.1	.1
Other legislation .....	.1	.1
	1.1	1.1

	1956 cost	1957 cost
Classified pay increase	\$.2	\$.2
Postal pay increase ...	.1	.1
Medical care insurance .....	.1	.1
	.4	.4

Additional public works & reclamation
projects (mostly new legislation)

* .2 (of \$2.0 authorization)

Total possible "add-ons" 4.6+ 6.8+

Project	Authorization
Upper Colorado	\$1.0 - \$1.3
Frying pan2
Other (Hartwell Dam, Calumet Sag, etc.)5
	2.0

* Less than \$50 million.

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